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1st U.S. Wine Promotion in Fuzhou marks the official arrival of U.S. wines to Fujian Province

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Report Highlights:

On February 22, 2012, ATO Guangzhou led a delegation of twelve local U.S. wine importers/distributors from the ATO-founded Pearl River Delta American Wine Import Association to Fuzhou to hold professional trade tastings and a VIP reception centered around U.S. wine exports to China. Consul General (CG) Brian Goldbeck and the Fujian Outreach Officer supported the event and assisted ATO in preparing the list of contacts. A subsidiary of Allway (U.S. company) known as the American Product Services Center (based in Fuzhou), the Fujian Provincial Foreign Affairs Office, and the Shangri-la Hotel Fuzhou also provided local support and assisted with venue sponsorship. CG Goldbeck and the 12 wineries jointly funded an afternoon wine tasting/seminar for about 60 Fujian wine distributors and an evening wine tasting banquet for 70 local government officials, business leaders, and media.

General Information:

Nearly 80-90 wines from California, Washington and Oregon were showcased and introduced at the event and received positive initial feedback from selected well-healed connoisseurs, wine professionals, traders, and the media. The participating companies had face-to-face meetings with many interested buyers. CG Goldbeck was on hand for both events and expressed thanks to the government partners that assisted the ATO in arranging this first of several events we plan for Fujian. For over two hours, participants sampled wines from Washington, Oregon, and California. As one senior official said, ***"tonight marks the official arrival in Fujian of American wines."***

Amongst one of the most important aspects of this outreach event was that it was heavy on sharing knowledge about U.S. wines to the local audience. For instance, some local distributors had an erroneous impression that U.S. wines were a relatively lower-end product when compared with European wines or even Australian wines which have entered and promoted in the Fuzhou market for years. However, they were surprised by the attractive flavors and aromas found in U.S. Zinfandel wines from California and the silky texture and subtle brilliance in balance found in Oregon Pinots. The event was successful in putting U.S. wine and U.S. wine geography into local attendees' frame of reference. Fujian local distributors are now believers in the quality and taste of U.S. wine, but require more education to reinforce this message.

It is important to note that ATO Guangzhou did not CSSF or Emerging Market Funds to support this event. The California Wine Institute did not support or attend this event. In fact, **no Market Access Program funds were used** to finance these 12 small U.S. businesses' endeavor to promote U.S. wine in this third tier city market in South China. The event was entirely self-funded by the wineries with ATO Guangzhou assisting as an intermediary between local organizations, trade-focused local-government bodies and the media.

Some of the most promising feedback shared with ATO Guangzhou was:

- In 2011, Fuzhou port witnessed a sharp increase in wine imports including those from United States. In 2011, wine imports to Fujian Province totaled \$58 million, a 35-percent increase from the previous year. In 2011, Fuzhou imported \$24 million, a 50-percent increase from the previous year.
- Fujian Province has many immigrants residing in the United States and they may bring back U.S. culture including wine drinking culture from the States, thus making them more open to accept U.S. wine.
- Consumers are receptive to U.S. food products which have a superior image to any other country's food imports.
- Fujianese have a savvy business sense and stern entrepreneurship which drive them to seek value products, and, U.S. wines are certainly fall into that category.
- French, Spanish, and even Australian wine export associations have done aggressive marketing activities in Fujian for years. Distributors and consumers tend to believe "old world" wines are superior in quality. They generally lack knowledge about U.S. wine.

Further marketing activities in Fujian are already in planning. In September, ATO GZ will look into organizing a U.S. wine pairing event with local cuisine. This event could be organized in Xiamen in conjunction with Cross-strait Business Forum which will likely attract an influx of business and political VIPs to the region and boost demand for high end wines.